weekly economic review

November 22, 2013

Consumer Price Index (CPI)

Another month of low inflation

Consumer prices continue to rise at a modest pace in Alberta. In October, the CPI increased by only 1.0% year-over-year (y/y), the lowest inflation reading since February and the fourth straight month of weaker price growth. Lower energy prices (-4.2%) were mainly responsible for Alberta's lower inflation rate in October, led by a drop in the price of gasoline. However, nearly all price components continue to post fairly weak price growth. Putting upward pressure on Alberta's headline inflation were the cost of rented and owned accommodation, which both rose by more than 2% y/y in October.

Weak inflation is not confined to Alberta. The national inflation rate came in even lower at 0.7%, the lowest reading since April and well below the Bank of Canada's mid-point target of 2%. The core inflation rate, which strips out the most volatile components and is used by the Bank to gauge inflation pressures, was only 1.1% in October.

Job Vacancies

Alberta still has highest job vacancy rate

The number of job vacancies in Alberta moved slightly higher in August relative to July, although some of the change might be due to seasonal factors. Relative to August 2012 the number of job vacancies (calculated using a 3-month moving average) has fallen 9,500 to 61,900. Alberta closely mirrors the national trend, where vacancies rose slightly month-over-month, but were still down from 2012 levels. Relative to its population, Alberta continues to have a disproportionate share of job openings, with just under a quarter of all vacant positions in Canada located in Alberta. The province's job vacancy rate, the number of vacant positions as a share of labour demand (filled and vacant positions), remained highest in Canada at 2.7 in August.

Wholesale Trade

Value of trade picks up

September saw improvements in wholesale trade, rising 1.3% over the same month last year. Growth was spurred by strong gains in building supplies and food & beverages. Machinery wholesale trade, which has been volatile this year, noted another solid gain. Year-to-date, wholesale trade is up 2.1% over the same time last year.

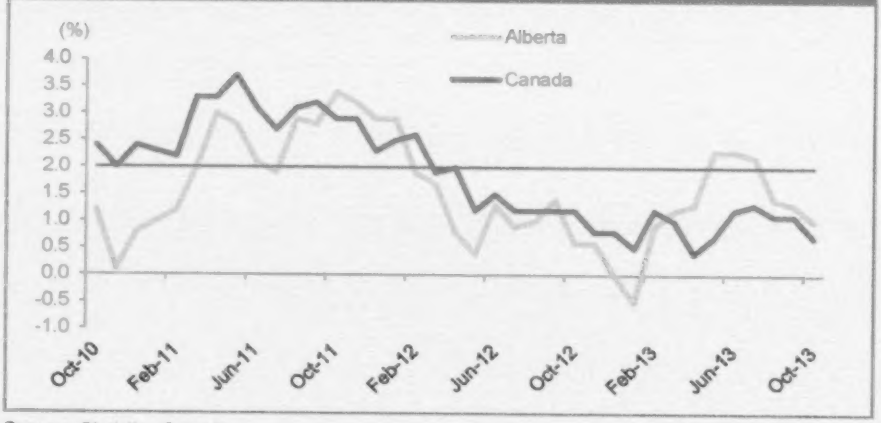
Retail Trade

Alberta leads in retail sales growth.

Sales at Alberta retail stores picked up in September to $6.2 billion, a 2.0% increase over last month. This marks a 6.3% increase over September 2012, driven by especially large gains at motor vehicle and part dealers. Alberta continues to lead the provinces in year-over-year growth in retail sales. On a year-to-date basis, retail sales are up 6.4%, which is also the strongest increase among provinces.

Nationally, retail sales improved by 1.0% on increases at motor vehicle dealers and gasoline stations, and were up by 3.6% on a year-over-year basis.

Inflation Rate (y/y change in CPI)



Source: Statistics Canada

Closing Price	Nov. 14, 2013	Nov. 21, 2013	2013-14 Fiscal YTD
Canadian Dollar (US$/$CAN)	95.27	95.18	96.80
WTI Oil ($US/bbl)	93.76	95.44	99.54
NYMEX Natural Gas($US/MMBtu)	3.61	3.70	3.75

Contact:

Warren Kirkland 780.427.8845

Alexander Gainer 780.638.3238

Alberta Economic Indicators

Population	2011	2012	2013YTD	May	June	July	Aug	Sept	Oct
Population (000's)	3,790	3,889	4,025		--	4,025	--		--
y/y % change	1.5	2.6	3.5	--	--	3.5	--	--	--
Net Interprovincial Migration[1]	-8,443	27,652	52,677	--	--	13,791	--	--	--
Net International Migration[1]	19,411	40,842	52,551	--	--	20,487	--	--	--
Net Non-permanent Residents[2]	-7,251	10,085	19,560	--	--	10,472	--	--	--
Labour Market									
Employment (000's), SA	2,094	2,150	2,199	2,203	2,201	2,217	2,232	2,236	2,237
y/y % change	3.8	2.7	2.7	2.3	2.6	3.0	3.6	3.7	3.5
Unemployment Rate (%), SA	5.5	4.6	4.6	4.8	5.0	4.5	4.8	4.3	4.4
Participation Rate (%), SA	73.7	73.4	73.0	73.3	73.1	73.0	73.6	73.1	73.0
Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,103.21	1,119.34	1,104.47	1,103.08	1,117.58		
y/y % change	4.4	3.6	3.3	5.4	3.4	2.1	1.4	--	--
Price Indices									
NEW! Consumer Price Index (y/y % change)	2.4	1.1	1.3	2.3	2.3	2.2	1.4	1.3	1.0
Excluding food and energy	0.8	1.4	1.4	1.1	1.6	1.9	1.6	1.5	1.6
Non-Res. Building Const. Price Index[2] (y/y % change)	3.4	3.8	1.2	--	0.9	--	--	1.2	--
Farm Product Price Index (y/y % change)	18.1	6.3	4.9	5.9	5.3	--	--	--	--
Crops	19.0	6.7	8.0	7.2	5.9	--	--	--	--
Livestock	17.2	5.9	2.2	4.8	4.7	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	35.4	42.5	38.1	35.6	28.8	30.8	37.2
y/y % change	-5.0	30.7	7.3	26.7	12.8	7.2	-1.7	-7.7	10.3
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.7	2.7	2.9	3.0	3.3	3.1	--
Edmonton	0.9	0.9	0.6	0.2	0.6	0.6	0.8	0.2	--
Calgary	-0.1	1.7	4.9	5.3	5.3	5.8	6.1	6.4	--
MLS Average Resale Prices ($ 000's)	362.7	362.0	378.4	375.6	376.5	378.7	387.2	384.3	381.3
y/y % change	0.5	2.6	5.2	2.9	4.4	4.9	6.6	7.8	4.0
Edmonton ($ 000's)	324.2	332.7	342.4	339.6	344.7	340.4	347.5	346.9	339.9
y/y % change	-0.7	2.6	3.4	1.1	3.7	2.9	4.2	7.7	0.0
Calgary ($ 000's)	401.9	410.8	433.6	424.8	431	438.7	440.8	436.5	438.3
y/y % change	1.1	2.2	6.6	2.6	5.3	6.8	7.8	8.6	4.2
NEW! Retail Sales, SA (y/y % change)	6.8	6.9	6.4	7.3	7.9	6.3	5.7	6.3	--
New Motor Vehicle Sales (y/y % change)	9.6	10.5	6.1	7.1	9.4	6.5	7.0	2.1	--
Consumer Bankruptcies	7,029	5,759	3,324	434	375	365	379	--	--
y/y % change	-13.8	18.1	-18.6	-15.7	-22.5	-21.3	-16.5	--	--
Business Sector									
Rigs Drilling	286	250	233	88	115	187	239	251	239
y/y % change	30.4	-12.6	-5.9	0.3	-17.3	5.7	7.0	9.6	1.2
Goods Exports, customs based (y/y % change)	18.4	2.8	5.9	12.9	-0.5	9.3	9.5	16.8	--
Energy	19.2	3.6	7.8	14.0	0.3	11.1	15.0	25.7	--
Farm, Fishing and Intermediate Food	27.2	29.6	4.2	7.1	-16.0	5.8	-20.8	24.9	--
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	--	--	--	--	--	--
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	0.7	1.3	3.6	3.6	8.1	2.2	--
NEW! Wholesale Trade, SA (y/y % change)	14.7	10.9	2.1	0.3	1.7	2.2	1.4	1.6	--
Building Permits, SA (y/y % change)	11.8	14.8	20.0	1.2	21.6	50.4	1.1	21.6	--
Residential	5.2	18.2	15.7	12.3	16.6	29.1	-5.9	33.1	--
Non-residential	20.9	10.7	25.9	12.0	28.5	79.7	12.3	3.5	--
Business Bankruptcies	264	230	87	11	9	9	7	--	--
y/y % change	30.2	-12.9	-45.6	-60.7	-59.09	-43.8	-30.0	--	--

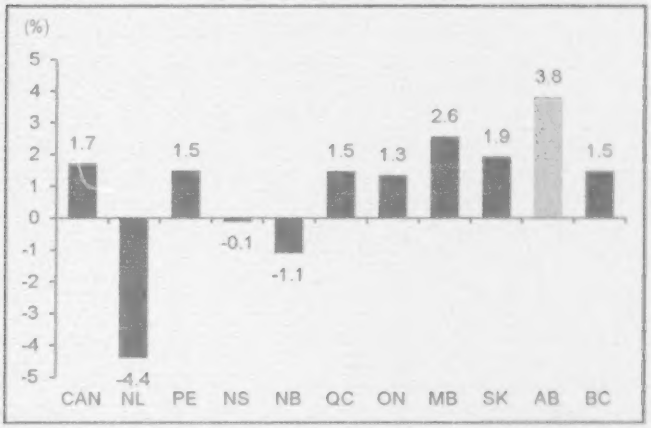
1 Quarterly, annual numbers are presented on a census year basis (July 1—June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the superintendent of Bankruptcy Canada)

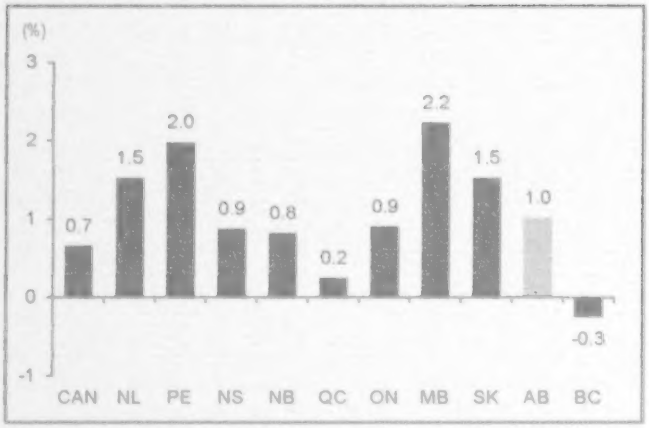
All historical data are subject to revision.

Economic Indicators by Province

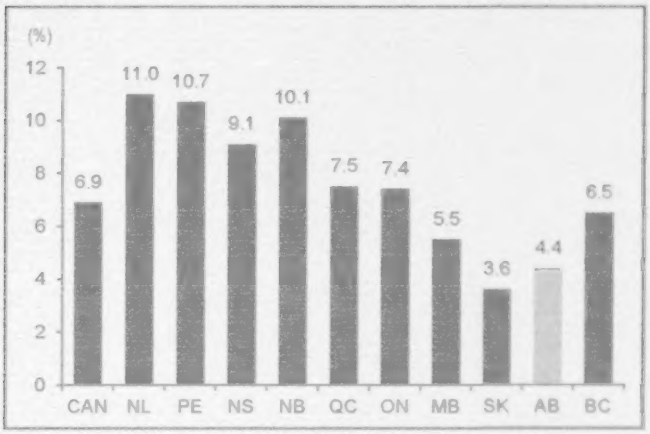
Real GDP at Market Prices
(2012, year-over-year growth)



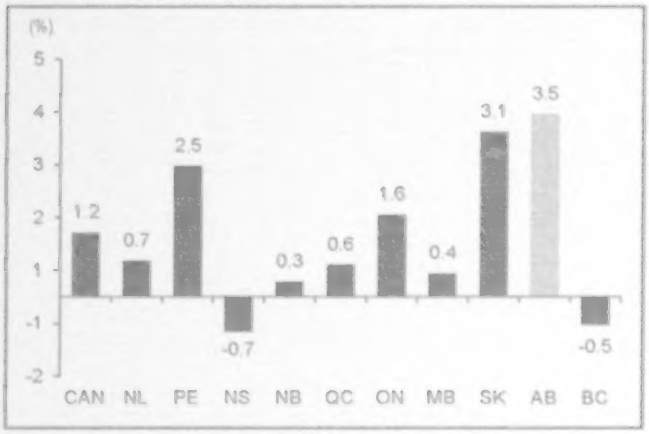
CPI Inflation
(October 2013, year-over-year growth)



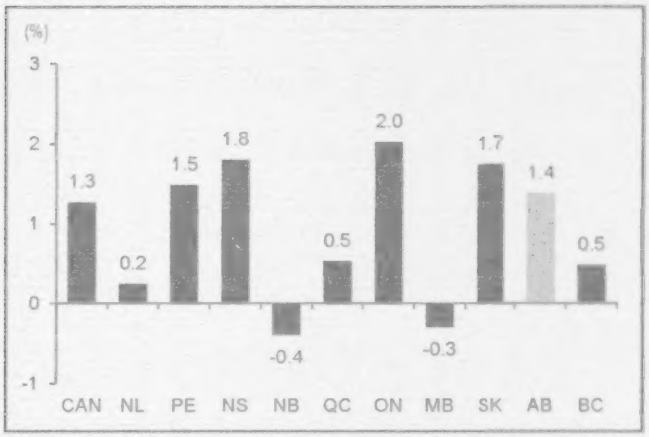
Unemployment Rate
(October 2013)



Employment
(October 2013, year-over-year growth)



Average Weekly Earnings
(August 2013, year-over-year growth)



Housing Starts
(October 2013, SAAR, year-over-year growth)